



General Assembly

Substitute Bill No. 542

February Session, 2006

* SB00542PD 031706 *

**AN ACT AUTHORIZING TWO OR MORE MUNICIPALITIES TO
JOINTLY IMPOSE A SALES TAX.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2006*) (a) Any two or more
2 municipalities that are members of a regional council of governments
3 established under sections 4-124i to 4-124p, inclusive, of the general
4 statutes, may jointly enter into an agreement to impose a sales tax in
5 each such municipality of not more than one-quarter of one per cent of
6 the gross receipts from sales within the meaning of subdivision (2) of
7 subsection (a) of section 12-407 of the 2006 supplement to the general
8 statutes. The agreement shall be prepared pursuant to negotiations and
9 shall contain all provisions on which there is mutual agreement
10 between the municipalities. The agreement shall (1) include
11 procedures for collection which shall be consistent with the collection
12 of state sales tax, and (2) establish procedures for amendment,
13 termination and withdrawal. The negotiations shall include an
14 opportunity for public participation. The legislative body of each
15 participating municipality shall conduct a public hearing on the
16 agreement and may approve the agreement by resolution of the
17 legislative body. The agreement shall not be effective until approved
18 by each participating municipality. As used in this section "legislative
19 body" means the council, commission, board, body or town meeting,
20 by whatever name it may be known, having or exercising the general

21 legislative powers and functions of a municipality and "municipality"
22 means any town, city or borough, consolidated town and city or
23 consolidated town and borough.

24 (b) Any revenue received pursuant to an agreement under
25 subsection (a) of this section shall be used for activities undertaken
26 jointly by the municipalities that are party to the agreement.

27 Sec. 2. (NEW) (*Effective October 1, 2006*) The Commissioner of
28 Revenue Services and the municipalities party to an agreement to
29 impose a sales tax under section 1 of this act shall enter into a
30 memorandum of understanding to facilitate collection of the tax and
31 allocation to such municipalities.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2006</i> | New section |
| Sec. 2 | <i>October 1, 2006</i> | New section |

PD *Joint Favorable Subst.*